

5929 Balcones Drive, Suite 200
Austin, TX 78731-4280
Phone: 512.343.2544
Fax: 512.343.0119

REDACTED – FOR PUBLIC INSPECTION

VIA COURIER

October 15, 2013

ACCEPTED/FILED

OCT 18 2013

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

Federal Communications Commission
Office of the Secretary

RE: Annual Report for San Carlos Apache Telecommunications Utility, Inc. Pursuant to 47 C.F.R. §54.313 and 54.422, WC Docket Nos. 10-90 and 11-42

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§ 54.313 San Carlos Apache Telecommunications Utility, Inc. (SCATUI or the Company), Study Area Code 452169, is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS). Section 3005 of the Form 481 requires a privately-held rate of return carrier receiving high cost support to attach financial information pursuant to 47 C.F.R. § 54.313(f)(2). The Company maintains that the financial information is confidential and is submitting through ECFS a redacted document as an attachment for section 3005 of the FCC Form 481 in WC Docket Nos. 10-90 and 11-42.

SCATUI, by its authorized representative, hereby submits confidential information pursuant to 47 C.F.R. § 54.313(f)(2), under seal, subject to the Protective Order adopted November 16, 2012 in the above-named dockets.¹ The Company is providing to the Office of the Secretary the original and one copy of the cover letter and confidential information for WC Docket No. 10-90. The confidential information relates only to WC Docket No. 10-90. There is no claim of confidentiality for any information related to WC Docket No. 11-42.

Two copies of this cover letter and confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, in accordance with the Protective Order.

¹ FCC Record DA 12-1857

No. of Copies rec'd 0+3
List ABCDE



Marlene H. Dortch
October 15, 2013
Page 2 of 2

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as an attachment to the FCC Form 481.

Each page of the confidential submission bears the legend, "CONFIDENTIAL FINANCIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION"

An original and three copies of the redacted confidential information and cover letter are also being filed simultaneously with the non-redacted confidential information, in accordance with the August 6, 2013 Public Notice (DA 13-1707). Two copies are provided for WC Docket No. 10-90 and two additional copies are provided for WC Docket No. 11-42. The redacted version of the cover letter for this filing and each page of the filing is marked "REDACTED - FOR PUBLIC INSPECTION."

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jean Langkop".

Jean Langkop
Authorized Representative for
San Carlos Apache Telecommunications Utility, Inc.

JL/pjf

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau,
Federal Communications Commission, 445 12th Street, S.W., Room 5-A452, Washington,
D.C. 20554 (2 hardcopies of non-redacted submission)
Ms. Shirley Ortiz, San Carlos Apache Telecommunications Utility, Inc.

REDACTED - FOR PUBLIC INSPECTION

<010> Study Area Code 452169

<015> Study Area Name SAN CARLOS APACHE

<020> Program Year 2014

<030> Contact Name: Person USAC should contact with questions about this data Shirley Ortiz

<035> Contact Telephone Number: Number of the person identified in data line <030> 928-475-2433

<039> Contact Email Address: Email of the person identified in data line <030> shirley.ortiz@scatui.com

<100> Service Quality Improvement Reporting

(complete attached worksheet)

(check box when complete)

<200> Outage Reporting (voice)

(complete attached worksheet)

<210> ☒ <-- check box if no outages to report**<300> Unfulfilled Service Requests (voice)**

Detail on Attempts (voice)

6
452169az310

(attach descriptive document)

<310> Unfulfilled Service Requests (broadband)

Detail on Attempts (broadband)

(attach descriptive document)

<400> Number of Complaints per 1,000 customers (voice)**<410>** Fixed 0.0**<420>** Mobile**<430> Number of Complaints per 1,000 customers (broadband)****<440>** Fixed**<450>** Mobile**<500> Service Quality Standards & Consumer Protection Rules Compliance**

(check to indicate certification)

<510> 452169az510

(attached descriptive document)

<600> Functionality in Emergency Situations

(check to indicate certification)

<610> 452169az610

(attached descriptive document)

<700> Company Price Offerings (voice)

(complete attached worksheet)

<710> Company Price Offerings (broadband)

(complete attached worksheet)

<800> Operating Companies and Affiliates

(complete attached worksheet)

<900> Tribal Land Offerings (Y/N)? ☒ ☐

(if yes, complete attached worksheet)

<1000> Voice Services Rate Comparability

(check to indicate certification)

<1010>

(attach descriptive document)

<1100> Terrestrial Backhaul (Y/N)? ☒ ☐

(if not, check to indicate certification)

<1110>

(complete attached worksheet)

<1200> Terms and Condition for Lifeline Customers

(complete attached worksheet)

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>

(check to indicate certification)

<2005>

(complete attached worksheet)

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>

(check to indicate certification)

<3005>

(complete attached worksheet)

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

452169

<010> Study Area Code

<015> Study Area Name

SAN CARLOS APACHE

<020> Program Year

2014

<030> Contact Name - Person USAC should contact regarding this data

Shirley Ortiz

<035> Contact Telephone Number - Number of person identified in data line <030>

928-475-2433

<039> Contact Email Address - Email Address of person identified in data line <030>

shirley.ortiz@scatui.com

<110> Has your company received its ETC certification from the FCC?

(yes / no) ☒ ☐

If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?

(yes / no) ☐ ☒

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

<113> Maps detailing progress towards meeting plan targets

<114> Report how much universal service (USF) support was received

<115> How (USF) was used to improve service quality

<116> How (USF) was used to improve service coverage

<117> How (USF) was used to improve service capacity

<118> Provide an explanation of network improvement targets not met in the prior calendar year.

FCI Form 481
OMB Control No. 3060-0086/OMB Control No. 3060-0819
July 2013

(200) Service Outage Reporting (Voice)
Data Collection Form

452169

<010> Study Area Code

SAN CARLOS APACHE

<015> Study Area Name

2014

<020> Program Year

Shirley Ortiz

<030> Contact Name - Person USAC should contact regarding this data

928-475-2433

<035> Contact Telephone Number - Number of person identified in data line <030>

shirley.ortiz@scatui.com

<039> Contact Email Address - Email Address of person identified in data line <030>

<h>

<g>

<f>

<d>

<c2>

<c1>

<b4>

<b3>

<b2>

<b1>

<a>

NORS
Reference
Number

Outage Start
Date

Outage Start
Time

Outage End
Date

Outage End
Time

Number of
Customers Affected

Total Number of
Customers

911 Facilities
Affected
(Yes / No)

Service Outage
Description (Check
all that apply)

Did This Outage
Affect Multiple
Study Areas
(Yes / No)

Service Outage
Resolution

Preventative
Procedures

-- See attached
worksheet --

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035>	Contact Telephone Number - Number of person identified in data line <030>	928-475-2433
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

1/1/2013	
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<701>	Residential Local Service Charge Effective Date
<702>	Single State-wide Residential Local Service Charge

[illegible]

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035>	Contact Telephone Number - Number of person identified in data line <030>	928-475-2433
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

<711>

[illegible]

<010>	Study Area Code	452169
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<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
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<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com
<810>	Reporting Carrier	San Carlos Apache Telecommunications Utility, Inc.
<811>	Holding Company	San Carlos Apache Telecommunications Utility, Inc.
<812>	Operating Company	San Carlos Apache Telecommunications Utility, Inc.

Affiliates	SAC	Doing Business As Company or Brand Designation
-- See attached worksheet --		

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2014
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<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

<910> Tribal Land(s) on which ETC Serves

San Carlos Apache Tribe

<920> Tribal Government Engagement Obligation

452169az920

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

Select (Yes, No, NA)	
Yes	<921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
Yes	<922> Feasibility and sustainability planning;
Yes	<923> Marketing services in a culturally sensitive manner;
Yes	<924> Compliance with Rights of way processes
Yes	<925> Compliance with Land Use permitting requirements
Yes	<926> Compliance with Facilities Siting rules
Yes	<927> Compliance with Environmental Review processes
Yes	<928> Compliance with Cultural Preservation review processes
Yes	<929> Compliance with Tribal Business and Licensing requirements.

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2014
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<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

☐

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

<010>	Study Area Code	452169
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<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

<1220>	Link to Public Website	HTTP	Name of attached document (.pdf)
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"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

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<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting	
<2010>	2nd Year Certification (47 CFR § 54.313(b)(1))
<2011>	3rd Year Certification (47 CFR § 54.313(b)(2))

Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))	
<2012>	2013 Frozen Support Certification
<2013>	2014 Frozen Support Certification
<2014>	2015 Frozen Support Certification
<2015>	2016 and future Frozen Support Certification

Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))	
<2016>	Certification Support Used to Build Broadband

Connect America Phase II Reporting (47 CFR § 54.313(e))	
<2017>	3rd year Broadband Service Certification
<2018>	5th year Broadband Service Certification
<2019>	Interim Progress Certification
<2020>	Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(iii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

<2021>	Interim Progress Community Anchor Institutions	Name of Attached Document Listing Required Information
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<010>	Study Area Code	452169
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<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
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<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

	Progress Report on 5 Year Plan	Name of Attached Document Listing Required Information	
(3010)	Milestone Certification (47 CFR § 54.313(f)(1)(i)) Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.		<input type="checkbox"/>
(3011)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii)) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input checked="" type="checkbox"/> (Yes/No) <input checked="" type="checkbox"/> (Yes/No)
(3012)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3013)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation		<input checked="" type="checkbox"/>
(3014)	If the response is no on line 3014, is your company audited?		<input type="checkbox"/>
(3015)	If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:		<input type="checkbox"/>
(3016)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications		<input type="checkbox"/>
(3017)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3018)	Management letter issued by the independent certified public accountant that performed the company's financial audit.		<input type="checkbox"/>
(3019)	If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:		<input type="checkbox"/>
(3020)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,		<input type="checkbox"/>
(3021)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3022)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3023)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3024)	Attach the worksheet listing required information		<input type="checkbox"/>
(3025)			<input type="checkbox"/>
(3026)			<input type="checkbox"/>



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<035>	Contact Telephone Number - Number of person identified in data line <030>	928-475-2433
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	



<010>	Study Area Code	452169
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<035>	Contact Telephone Number - Number of person identified in data line <030>	928-475-2433
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Jean Langkop</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	Jean Langkop
Name of Reporting Carrier:	SAN CARLOS APACHE
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 10/11/2013
Printed name of Authorized Officer:	Shirley Ortiz
Title or position of Authorized Officer:	CEO
Telephone number of Authorized Officer:	928-475-2433
Study Area Code of Reporting Carrier:	452169 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	SAN CARLOS APACHE
Name of Authorized Agent or Employee of Agent:	Jean Langkop
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 10/11/2013
Printed name of Authorized Agent or Employee of Agent:	Jean Langkop
Title or position of Authorized Agent or Employee of Agent:	Director - Business Compliance
Telephone number of Authorized Agent or Employee of Agent:	512-343-2544
Study Area Code of Reporting Carrier:	452169 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
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<035>	Contact Telephone Number - Number of person identified in data line <030>	928-475-2433
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com
<810>	Reporting Carrier	San Carlos Apache Telecommunications Utility, Inc.
<811>	Holding Company	San Carlos Apache Telecommunications Utility, Inc.
<812>	Operating Company	San Carlos Apache Telecommunications Utility, Inc.

[illegible]

LINE 310 – UNFILLED SERVICE REQUESTS

At the end of 2012, San Carlos Apache Telecommunications Utility, Inc. (the Company) had six requests for voice service that were unfilled. All six requests are in a new residential subdivision where there was no in ground infrastructure. Service to this new subdivision is part of a fiber to the home project funded through an America Recovery and Reinvestment grant and certain contracting approvals necessary to complete the fiber buildout were not received in 2012. Service is expected to be provided to all six customers by the end of 2013.

Line 510 - § 54.313(a)(5) – Service Quality and Consumer Protection Rules Compliance

As a company owned by the San Carlos Apache Tribe, it is reasonable that SCATUI operates under service quality standards and customer protections that are in the best interest of its customers, who are mostly members of the Tribe. The rates, terms and conditions under which SCATUI operates are outlined in its Local Exchange Tariff which was modeled after the tariffs of state regulated small rural ILECs, although SCATUI itself is not regulated by the Arizona Corporation Commission (ACC). SCATUI modifies its tariff from time to time with approval of, or at the request of the Tribal Council. The Company's tariff contains provisions regarding its customer service and protection practices, including resolving disputes with the Company, applying for service, the classification of business and residential rates, deposits, billing and payment for service, refusal, disconnection and cancellation of service. The tariff is available for customer review in the Business Office, as requested. Rates and terms of service are disclosed to customers upon application for service both verbally and in writing as part of a packet of information for new customers. Rates, applications and certain terms of service are also available on SCATUI's website www.scatui.net.

Service quality standards are established by the SCATUI Board of Directors with a Tribal Council liaison sitting on the Board. Monthly reports on service quality compliance are provided to the Board, with periodic updates to the Tribal Council.

The protection of customers' privacy and information is of utmost importance and the Company has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Company's compliance with CPNI rules and a description of the Company's operating procedures that ensure compliance are filed at the FCC annually.

Line 610 - § 54.313(a)(6) – Ability to Remain Functional in an Emergency Situation

SCATUI's network is designed to remain functional in an emergency situation. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored, so long as fuel is available. The network is capable of managing traffic spikes resulting from emergency situations.

SCATUI has a restoration plan in place to restore any disruption in service expeditiously, including splicing of damaged facilities when warranted. SCATUI has installed three Sonet fiber rings that increase the survivability of its network. Implementation of the rings allows SCATUI to maintain service to their remote electronic sites in the event of a fiber outage, making SCATUI's network efficient, economical, and reliable.



San Carlos Apache Telecommunications Utility, Inc.

Line 920 - § 54.313(a) (9) Tribal Engagement Obligation

San Carlos Apache Telecommunications Utility, Inc. (SCATUI) is a tribally owned company and as such, communications with the San Carlos Apache Tribe (SCAT or the Tribe) and the Tribal Council are essential to SCATUI's operation. SCATUI's General Manager and the President or other member of its Board of Directors meet with the San Carlos Apache Tribal Council and other SCAT representatives on a quarterly basis to provide progress reports on SCATUI's various communications and broadband plans, and engage in conversations regarding any modifications needed to meet the needs of the Tribe.

SCATUI's General Manager and management team also participate in SCAT's annual Special Council Meeting. During the annual meeting SCATUI presents its year-end accomplishments, financial information, as well as future goals and projects for the coming New Year.

Needs Assessment and Deployment Planning

Since SCATUI's inception, discussions between SCAT and SCATUI regarding needs assessment and deployment planning have been integral to the growth in its customer base on the reservation from approximately 600 in 1998 to over 2,600 in 2013. Ongoing discussions and planning result in new services, and expanding telecommunications services and broadband to new developments on the reservation, including new community anchor institutions such as a new hospital and proposed new school.

Feasibility and Sustainability Planning

At least every five years the Tribe develops a Comprehensive Economic Development Strategy and SCATUI is an active participant in the planning process. The next strategic plan is scheduled for publication in 2014.

Marketing in a Culturally Sensitive Manner

Marketing is done in a culturally sensitive manner. SCATUI participates in community meetings where it presents information on its services, including the Lifeline and LinkUp Service program, to the public. The presentations are provided in the Apache language for those residents who only speak Apache. Other services have been customized to meet the needs of the public such as voice mail verbal instructions offered in the Apache language. The majority of SCATUI's employees are members of the SCAT, understand the community's needs, and are sensitive to the cultural differences of our customers.

Rights of Way Processes, Land Use Permitting, Facilities Siting, Environmental and Cultural Preservation Review Processes

During the quarterly meetings and ongoing as necessary, SCATUI engages with the Tribal Council and respective Tribal departments regarding right-of-way, land use, environmental, and cultural preservation review processes specific to each project..

Tribal Business and Licensing Requirements

SCATUI complies with Tribal business and licensing requirements, as required. SCATUI is required to obtain a Tribal Privilege License, and also must apply for a Tribal Business License annually as well as a Land Lease agreement.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential. BORROWER NAME <div style="background-color: black; width: 150px; height: 1.2em; margin-top: 5px;"></div>			
<i>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i>		PERIOD ENDING <div style="background-color: black; width: 80px; height: 1.2em; margin-top: 5px;"></div>	BORROWER DESIGNATION <div style="background-color: black; width: 80px; height: 1.2em; margin-top: 5px;"></div>		
CERTIFICATION We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES. DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII <i>(Check one of the following)</i> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects. </div> <div style="width: 45%;"> <input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> <div style="background-color: black; width: 100px; height: 1.2em; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100px; height: 1.2em; margin-bottom: 5px;"></div> </div> <div style="width: 45%; text-align: center;"> DATE </div> </div>					
PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Recquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = % of Total Assets

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER DESIGNATION AZ0512	
INSTRUCTIONS- See RUS Bulletin 1744-2		PERIOD ENDING December, 2012	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues			
2. Network Access Services Revenues			
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues			
5. Miscellaneous Revenues			
6. Uncollectible Revenues			
7. Net Operating Revenues (1 thru 5 less 6)			
8. Plant Specific Operations Expense			
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)			
10. Depreciation Expense			
11. Amortization Expense			
12. Customer Operations Expense			
13. Corporate Operations Expense			
14. Total Operating Expenses (8 thru 13)			
15. Operating Income or Margins (7 less 14)			
16. Other Operating Income and Expenses			
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes			
20. Total Operating Taxes (17+18+19)			
21. Net Operating Income or Margins (15+16-20)			
22. Interest on Funded Debt			
23. Interest Expense - Capital Leases			
24. Other Interest Expense			
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)			
27. Nonoperating Net Income			
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income			
31. Total Net Income or Margins (21+27+28+29+30-26)			
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year			
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]			
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)			
44. Annual Debt Service Payments			
45. Cash Ratio [(14+20-10-11) / 7]			
46. Operating Accrual Ratio [(14+20+26) / 7]			
47. TIER [(31+26) / 26]			
48. DSCR [(31+26+10+11) / 44]			

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

AZ0512

PERIOD ENDED

December, 2012

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
San Carlos							
Route Mileage Outside Exchange Area							
Total							

USDA-RUS

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December, 2012

INSTRUCTIONS - See RUS Bulletin 1744-2

4. BROADBAND SERVICE

EXCHANGE

No Of Broadband Subscribers	Revenue
100000	100000000
200000	200000000
300000	300000000
400000	400000000
500000	500000000
600000	600000000
700000	700000000
800000	800000000
900000	900000000
1000000	1000000000
1100000	1100000000
1200000	1200000000
1300000	1300000000
1400000	1400000000
1500000	1500000000
1600000	1600000000
1700000	1700000000
1800000	1800000000
1900000	1900000000
2000000	2000000000
2100000	2100000000
2200000	2200000000
2300000	2300000000
2400000	2400000000
2500000	2500000000
2600000	2600000000
2700000	2700000000
2800000	2800000000
2900000	2900000000
3000000	3000000000
3100000	3100000000
3200000	3200000000
3300000	3300000000
3400000	3400000000
3500000	3500000000
3600000	3600000000
3700000	3700000000
3800000	3800000000
3900000	3900000000
4000000	4000000000
4100000	4100000000
4200000	4200000000
4300000	4300000000
4400000	4400000000
4500000	4500000000
4600000	4600000000
4700000	4700000000
4800000	4800000000
4900000	4900000000
5000000	5000000000
5100000	5100000000
5200000	5200000000
5300000	5300000000
5400000	5400000000
5500000	5500000000
5600000	5600000000
5700000	5700000000
5800000	5800000000
5900000	5900000000
6000000	6000000000
6100000	6100000000
6200000	6200000000
6300000	6300000000
6400000	6400000000
6500000	6500000000
6600000	6600000000
6700000	6700000000
6800000	6800000000
6900000	6900000000
7000000	7000000000
7100000	7100000000
7200000	7200000000
7300000	7300000000
7400000	7400000000
7500000	7500000000
7600000	7600000000
7700000	7700000000
7800000	7800000000
7900000	7900000000
8000000	8000000000
8100000	8100000000
8200000	8200000000
8300000	8300000000
8400000	8400000000
8500000	8500000000
8600000	8600000000
8700000	8700000000
8800000	8800000000
8900000	8900000000
9000000	9000000000
9100000	9100000000
9200000	9200000000
9300000	9300000000
9400000	9400000000
9500000	9500000000
9600000	9600000000
9700000	9700000000
9800000	9800000000
9900000	9900000000
10000000	10000000000

Number Of
Subscribers

Advertised
Download Rate
(Kbps)
(d)

Advertised
Upload
Rate (Kbps)
(e)

Price Per Month
(f)

Service	Standalone/Pckg
	(f)

Type Of Technology

(g)

San Carlos

Total	100	100	100
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StandAlone

DSL

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

PERIOD ENDING
December, 2012

INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
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PART E. TOLL DATA

1. Study Area ID Code(s) a. 452169 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one) <div style="display: flex; justify-content: space-between;"> <div> Interstate: <input type="checkbox"/> Average Schedule Intrastate: <input type="checkbox"/> Average Schedule </div> <div> <input checked="" type="checkbox"/> Cost Basis <input checked="" type="checkbox"/> Cost Basis </div> </div>
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PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION AZ0512 PERIOD ENDING December, 2012
PART H. CURRENT DEPRECIATION RATES	
Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) <input checked="checked" type="checkbox"/> YES <input type="checkbox"/> NO 	
EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	██████
2. Land and support assets - Aircraft	██████
3. Land and support assets - Special purpose vehicles	██████
4. Land and support assets - Garage and other work equipment	██████
5. Land and support assets - Buildings	██████
6. Land and support assets - Furniture and Office equipment	██████
7. Land and support assets - General purpose computers	██████
8. Central Office Switching - Digital	██████
9. Central Office Switching - Analog & Electro-mechanical	██████
10. Central Office Switching - Operator Systems	██████
11. Central Office Transmission - Radio Systems	██████
12. Central Office Transmission - Circuit equipment	██████
13. Information origination/termination - Station apparatus	██████
14. Information origination/termination - Customer premises wiring	██████
15. Information origination/termination - Large private branch exchanges	██████
16. Information origination/termination - Public telephone terminal equipment	██████
17. Information origination/termination - Other terminal equipment	██████
18. Cable and wire facilities - Poles	██████
19. Cable and wire facilities - Aerial cable - Metal	██████
20. Cable and wire facilities - Aerial cable - Fiber	██████
21. Cable and wire facilities - Underground cable - Metal	██████
22. Cable and wire facilities - Underground cable - Fiber	██████
23. Cable and wire facilities - Buried cable - Metal	██████
24. Cable and wire facilities - Buried cable - Fiber	██████
25. Cable and wire facilities - Conduit systems	██████
26. Cable and wire facilities - Other	██████

USDA-RUS
OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

AZ0512

PERIOD ENDED

December, 2012

INSTRUCTIONS – See help in the online application.

PART I – STATEMENT OF CASH FLOWS

1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	
4. Add: Amortization	
5. Other (Explain)	
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	
13. Net Cash Provided/(Used) by Operations	
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	
22. Other (Explain)	
23. Net Cash Provided/(Used) by Financing Activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain) Reconciling Adjustments including Plant Retirements	
28. Net Cash Provided/(Used) by Investing Activities	
29. Net Increase/(Decrease) in Cash	
30. Ending Cash	

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>AZ0512</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2012</p>
<p>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	
<p></p>	

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>AZ0512</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2012</p>
<p>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	